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# Rewald's Release the Latest Chapter in a Tangled Story

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A new chapter in the long and tangled story of Ronald R. Rewald unfolded yesterday as the 41-year-old businessman was released from custody after 174 days in prison.

Rewald says he wants to visit his family on the Mainland and, if possible, bring them back to Hawaii. Then he wants to work with his attorneys in preparing his defense against charges he stole money from two investors in his bankrupt company, Bishop, Baldwin, Rewald, Dillingham & Wong. He also said he wants to work with the bankruptcy trustee to help track down assets so that investors can be repaid.

It is impossible to say if Rewald will accomplish these things or to say what will happen to Rewald now that he is free. But his release on bail caps five months of intrigue that began on the afternoon of July 29 when Rewald cut his wrists in a Waikiki hotel room. He was found barely alive after his suicide attempt. Here is what happened to the man once considered to be one of the wealthiest in Hawaii:

**Aug. 1:** Rewald is taken to Queen's Hospital in critical condition and the doors to his company are closed. Rewald's background is exposed in a number of newspaper articles, the product of months of research into Rewald and his mysterious company. Despite the imposing name of the company, it is disclosed that there actually is no Bishop, Baldwin or Dillingham associated with the company. Despite claims in company brochures that Rewald's company was one of the oldest investment firms in the Islands, it only was incorporated in 1978.

**Aug. 2:** D. Alden Newland, one of the company's attorneys, is the first of several business associates to resign or publically sever themselves from Rewald. All investment accounts are frozen, leading some investors to panic.

**Aug. 3:** Sunlin "Sunny" Wong, company president, resigns from the company. It is learned the company is under investigation by the Securities and Exchange Commission, the FBI and the IRS. It also is learned that files had been taken from Rewald's offices during the weekend, apparently by company officials.

**Aug. 4:** Nervous investors succeed in forcing the company into involuntary bankruptcy. Interim trustee Thomas Hayes immediately takes over Rewald's plush offices on the 26th floor of the Grosvenor Center.

**Aug. 5:** U.S. Judge Harold Fong freezes all of Rewald's personal assets after Hayes testifies that Rewald apparently spent investors' money on personal expenses, such as his \$1 million house and \$3.5 million North Shore ranch. Hayes said some 300 investors put some \$17 million in the company. A federal grand jury begins hearings into possible criminal charges against Rewald and company officials.

**Aug. 7:** Rewald hires Attorney Brook Hart to deliver missing files to federal court for safekeeping until it is determined who has the right to review them. This is the first hint that Rewald's company had anything to do with the CIA.

**Aug. 8:** Rewald is let out of the hospital and immediately arrested by Honolulu police for investigation into theft charges. The SEC charges the company with securities fraud. U.S. Judge Martin Pence expands the freeze on Rewald's assets to cover everything not covered in the first order.

**Aug. 9:** Police charge Rewald with two counts of theft by deception and bail is set at \$10 million, the highest in the state's history. One of the charges involves a statement given to police by Jack Kindschi, formerly CIA station chief in Hawaii. It is later disclosed that Kindschi did not want to file a complaint against Rewald but that police filed it for

him because they thought he would be a good witness.

**Aug. 10:** Rewald pleads not guilty to both charges and hires attorney Robert Smith to represent him in his civil legal problems.

**Aug. 16:** Trustee Hayes tells Judge Pence that "the money is gone." After reviewing records, Hayes said all of the investors' money apparently had been spent and there were no records of substantial investments. Pence said it appeared Rewald was operating a "Ponzi scheme."

**Aug. 27:** Rewald signs over all of his personal assets to the bankruptcy trustee so that they may be protected from theft or destruction pending litigation. Included were 10 luxury autos, a few dozen polo ponies, three sets of knight's armor, paintings, various collections and apartment and house furnishings.

**Sept. 1:** Six packets of "classified material" found in Rewald's files are sealed under a federal court order. For the first time, a clear link between Rewald and the CIA is established.

**Sept. 7:** Rewald is taken from prison to his old offices to help search for assets. At the end of the day, trustee Hayes said Rewald turned up nothing to account for the missing millions of dollars.

**Sept. 13:** It is disclosed that Rewald had millions of dollars worth of life insurance coverage. One company filed suit against Rewald, seeking to invalidate two policies worth \$3 million because Rewald allegedly lied on his applications. The other policies were allowed to lapse by the

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trustee.

Sept. 23: State Rep. Reynaldo Gaulty is named permanent bankruptcy trustee but Hayes will act as administrative controller.

Oct. 5: Brook Hart and Peter Wolff step down as Rewald's criminal attorneys and Samuel King Jr. is appointed. Hart and Wolff said they could not continue to represent Rewald because he was unable to pay them because his assets are frozen. King is son of senior federal Judge Samuel P. King.

Oct. 7: Mainland attorney Melvin Belli, representing some creditors, announces plans to sue the CIA.

Oct. 20: Pacific Resources Inc. buys remaining lease on the Grosvenor Center offices and later donates Rewald's famous office waterfall for a school auction.

Oct. 24: Circuit Judge Robert Chang reduces Rewald's bail to \$200,000. Unable to post it, Rewald remains in prison.

Jan. 12: Chang reduces bail to \$140,000 after Rewald's attorney tells him that Rewald must be freed to help prepare his defense.

Jan. 20: Attorney Robert Smith says he is joining Melvin Belli in suing the CIA. A former chiropractor who invested \$300,000 in Rewald's firm said he plans to make a movie on Rewald's life, especially his involvement in the CIA.

Jan. 26: Star-Bulletin reports that at least one legitimate undercover CIA agent used Rewald's company as his cover.

Jan. 31: Rewald freed from prison after family and friends manage to come up with money and property needed to post bail.